Stewart...

Late night ruminations lead me in some different directions.

It's obvious that initial subscription response is not going to generate a support level for the REVIEW. This is an attempt to explore alternatives to collapse of the organization caused by an on-going cash drain.

First, we can (and probably should) consider discontinuing publication of the SOFTWARE REVIEW. This has the advantage of eliminating future production, distribution and print costs as well as salary costs directly related to our own software publication. The only way I can see the REVIEW as self-supporting is if we invest substantially in promotion -- via direct mail and, I suspect, advertising.

This will have the effect of shifting a greater percentage of overhead back to CQ, which would have to be looked at separately.

The main advantages of this course of action (in my view) would be to reduce net expenditures substantially and concentrate our resources on the CATALOG, reducing the risk of that obligation inadequate time and attention.

It might also allow a strategy of making the CATALOG semi-annual, which would supplant much of the need for a quarterly REVIEW and allow a graceful exit for the publication. Subscribers could be compensated with an issue of the CATALOG, reasonable compensation for their investment.

Another possibility is the sale of the REVIEW name to a third party. After our promotion (and assuming appropriate editorial control could be maintained via contract), it might well be a valuable property to another publisher -- after all, LIST magazine sold out with little more to offer than we have for $10 million.

In the best of financial circumstances, the REVIEW, is a major gamble for an organization of our size and resources. We are constantly faced with compounded ignorance (my own, as well as other people on the staff) in producing a magazine of this type and content. Without the financial cushion to ease us through our initial stages, the prognosis is bad.

I don't think I need explain that this isn't a surrender. My personal feelings aren't the issue. What is needed is the most pragmatic kind of thinking at this juncture and I don't think we can afford to focus on aspirin when the patient seems to have a brain tumor.

A final alternative is the early sale, via a Brockman Special, of

rights to our data base. This would have to be initiated soon to be of value.

The thought of borrowing against the second portion of the advance seems like a choice between asphyxiation and bleeding to death. I don't see us making it through 1984 with that mechanism.

I know you are taking a serious look at the financial picture right now. My hope is that all the options are viewed, without preference but in the cold light of financial responsibility toward the foundation. We don't serve anyone if we don't exist.